Direct vegetable sales in Vietnam suit farmer and consumer interests

Paule Moustier¹ (CIRAD) and Nguyen Thi Tan Loc (VAAS/FAVRI)²

Presentation to the World Congress of IRSA (International Rural Sociology Association), 6-11 July, Goyang, Korea.

Abstract

Direct farmer-consumer relationships are described in the literature as efficient forms of resistance to global distribution chains, in particular as regards farmer incomes and consumer trust in product safety. Research was carried out in Vietnam to measure the importance of this type of sales in the vegetable sector, and how farmers and consumers perceive it relative to other forms of supply. Consumer surveys and focus groups were conducted, as well as inventories of vegetable retail points of sales and a case study of a farmer group based on in-depth interviews with group leaders. Direct sales are especially observed in the case of safe vegetables sold in market stalls or in shops managed by farmer groups. Consumers buying directly from farmers value product freshness and specific information relative to product origin and safety. Farmers value direct retail sales because it enables quick cash delivery and a higher share of the final price. Yet only the wealthiest farmers have access to this type of sales by renting their own outlet shops or market stalls. Moreover, the guarantee of vegetable safety is not supported by a reliable government quality control system. This stands in contrast with other countries of Asia such as India or Laos where public resources have been devoted to the development of farmers’ markets and quality certification.

Introduction

Vietnam is a country which is praised for its quick agricultural development, with a growth rate of 4 percent per year since the agrarian and economic reforms of 1988 and 1989 (Dao The Anh et al, 2003). When land was given back to farmers after years of collectivist regime, farmers achieved impressive jumps in terms of rice yields and also started to diversify into various high value-adding sectors, including horticulture and livestock. The growth of exports as well as the domestic market—especially in cities—offered new market opportunities to farmers. Yet, the positive improvement of the situation of farmers is quite patchy. Farmers typically complain of market instability, reflected by price variations and lack of regular buyers. For instance, in a survey of 500 vegetable farmers in Northern Vietnam, marketing difficulties were the first constraint mentioned by the respondents, even before problems of access to inputs, credit, land and labour (Phuong Anh et al, 2004). At the same time, consumers also express their dissatisfaction relative to the food they purchase. A survey of 200 households in Hanoi in 2002 demonstrated that half of them considered that the quality of foodstuffs had fallen during the past ten years. In 90 percent of the households interviewed, vegetables are the foodstuff which poses the greatest problem in terms of quality and in 80 percent of cases, pesticide residues are a source of concern (Figuie and al, 2004).

Direct sales from farmers to consumers are often perceived as the key for a more secure and profitable access to markets by farmers, as well as a means of reassuring consumers.
about the quality of food. The strong involvement of farmers, or their relatives, in the marketing of their products, can be termed as vertical integration, which has been especially analysed by transaction cost economics. Vertical integration involves the combination of two or more separable stages of production or marketing under common ownership or management. It bears a positive impact as regards the reduction of transaction costs, i.e., all the indirect costs occurred in setting up, conducting and monitoring the transaction (North, 1990). Transaction costs are especially high in the case of perishable products of varying quality characteristics, and implying specific investments adapted to the demand of the buyer (Williamson, 1987; Jaffee, 1995). Yet the literature on vertical integration usually focuses on “downstream integration,” that is the integration by the final retailer, export wholesaler or processing company, of the production and marketing stages (Grossman and Hart, 1986; Maertens and Swinnen, 2006). This vertical integration is especially driven by the buyer’s quest for a regular supply of products of guaranteed quantity and quality. On the other hand, farmer direct sales are driven by the producers as well as by the demand of the final user, as they result from the fact that consumers look for closer links with producers in order to guarantee the freshness and quality of what they buy.

Relational proximity is a common feature of the relationships between farmers and traders in developing countries, especially for perishable products. It has been documented by a number of research for marketing chains from rural as well as urban areas (see Lyon, 2000, Cadilhon et al, 2006), and as such is characteristic of urban areas only in the aspect that perishable products are more frequently found there. What may be more specific of urban areas is the existence of relational proximity between farmers and consumers, and the possible existence of direct relationships between them. Farmers’ markets where farmers meet consumers directly have been especially well documented by Kirwan (2004) in England. In developing countries, direct sales are also documented as a way of promoting organic vegetables. Direct delivery by farmers to a list of consumers is organised in Phnom Penh with the support of an NGO. This has also been observed for mushroom farmers in Accra with their door-to-door delivery of fresh mushrooms to targeted consumers (Danso et al, 2003). In India farmers located around Aurangabad sell their vegetables through urban organic bazaars organised on a fortnightly basis. Local certification is obtained through “eco-volunteers,” people usually working in the vicinity of the vegetable farmers (Mukhi, 2005; den Braber, 2006). The irregular nature of vegetable production is a major drawback of all direct sales by organic or IPM farmers, as they are tempted to buy from other sources than their own, which then makes it more difficult to guarantee the safety of the produce (den Braber, 2006). Even in a country like the USA, farmers’ markets, defined as physical market places where several producers congregate on a regular basis to sell their produce to end buyers, account for 15 percent of consumer purchases of fruits and vegetables in some regions (Alberta government, 2003, quoted by Cadilhon, 2007). Another system is home-to-home delivery by farmers, with variable involvement of consumers in the production process. In community-supported agriculture (CSA), consumers agree to prepay a certain amount of money to the producers, or to invest in the production system directly, in exchange for receiving fresh produce at their door or at a designated delivery station during the harvest season. This arrangement reduces farmer risks but in the meantime increases managerial costs to harmonise multiple customer deliveries (Cadilhon, 2007, quoting Alberta and McIlvain-Newsad). The benefits of home delivery to small farmers through e-commerce are shown by Liu (2002) in the case of Taiwan. Consumers earn a sense of belonging to a local community and helping its economic development.

Another system is at-farm purchases (U-pick and We-pick operations), where customers harvest the products themselves (U-pick) or have them harvested by the farm staff (We-Pick).

Numerous advocates of “alternative distribution food chains” claim that citizens should be able to access local neighbourhood small-scale retail points—if possible run directly by farmers—rather than mass scale monopolistic and productivist production and distribution which disconnects agricultural output from its natural conditions of production. “The triumph
of global capitalistic coordination is its ability to partition and distantiate itself from the natural and organic geographies for which it is responsible" (Morgan et al, 2006:69; Friedmann, 1994). Consumers are driven in their choices by their local orientation, i.e., the awareness of the food system; “social orientation,” addressing the social aspects of transaction (contact with the producer, exchange on the produce and a pleasant shopping experience), and a “practical orientation,” with an emphasis on low price, convenience and variety of products (Torjusen et al, 2001). This characterization is close to the one described by Kirwan (2004) who refers to social connectivity, reciprocity and trust as dominant drivers of British consumers buying from farmers’ markets.

After his review of farmer direct marketing, Cadilhon (2007) points out the need for more empirical evidence of the impacts of grower direct marketing systems on the welfare of rural communities and consumers. He also identifies a lack of research in developing country settings, and on forms of direct marketing other than farmers’ markets and e-commerce.

In this paper we will present evidence on farmer direct vegetable selling in peri-urban Hanoi, which is characterized by the farmer investing in shops, and we will explore how they meet the requirements of both consumers and farmers.

**Methodology**

The paper combines different sources of information gathered by our research group at the consumption, marketing and production stages. Data on the number and locations of vegetable shops was gathered from the Department of Trade, plus direct inventories in the city districts. Then phone interviews were carried out to determine if the shop was managed by farmers and to get other summary information on the status of shop property. This data was cross-checked with an inventory of safe vegetable groups who had been interviewed regarding the nature of output marketing (conducted in 2005, and then in 2008 for certified groups). To estimate the share of these vegetable shops out of the total of vegetables sold in Hanoi, we used the results of a survey conducted by our research group in 2006 on vegetable retail distribution. Two surveys, one in 2004 and the other in 2006, were conducted to quantify the size of the different types of vegetable selling points as regards employment and food distribution. Two districts were selected for a complete count of street vendors, market retailers, shops and stalls: Hoan Kiem (a central district with a population of varying incomes) and Cau Giay, a more recent working-class district. Averaging the density of vendors in these two districts provides a proxy for the average density of vendors in Hanoi, which is then multiplied by the total Hanoi area for an estimation of the total number of points. Data on quantities sold was gathered on a sample of street vendors and market, shop and supermarket traders.

Various consumer surveys have been conducted to assess the preferred supply mode for consumers and on what wins their trust as far as product quality is concerned. Four focus groups were conducted in 2004 with ten consumers in each (Figuié, 2004) and in 2006 we conducted a meeting and detailed interviews with the head and three members of the women’s consumer club. Then a case study was conducted on a vegetable group selling through shops, i.e. Dang Xa cooperative in Gia Lam district. The case study involved in-depth interviews with the leaders of the cooperative in May 2007 and June 2008, and also quick interviews in June 2008 of 32 consumers buying from one of the two cooperative stalls. Questions related to the history and reasons for this type of distribution, advantages and drawbacks perceived in this type of sale, as compared with alternative types (selling to collectors, supermarkets or canteens), in terms of financial indicators (costs, prices, incomes), assurance on vegetable safety, and other relevant determinants left open for the respondents.

Meetings were organised with three farmer groups in Hoai Duc (Son Phuong commune), Gia Lam district (Van Duc and Dang Xa commune) and Dong Anh (Van Tri district) to discuss the various constraints and opportunities for farmers in these areas in managing their own retailing points.
**Main results**

**Limited but increasing importance of farmer direct sales**

Short marketing chains are typical of vegetables produced in peri-urban areas. In Hanoi, more than 40 percent of all wholesale market sellers are also producers; this percentage goes up to 100 percent for water convolvulus (kangkong). In Hanoi, producers bring 100 to 200 kilos per day each to wholesale markets on overloaded bicycles or scooters. This is partly explained by the small scale of production and low final prices, making it attractive for producers to spend some hours in transportation to get as much of the final price as possible (Moustier and al, 2004).

For the traditional chains of vegetables, the product is rarely directly sold retail by farmers, although this is more commonly observed for vegetables labelled as “safe vegetables.” Small land size, growing market competition and easy access to chemicals illegally imported from China result in farmers using increasing quantities of fertiliser and pesticides to maximise productivity per hectare. Comparing the quantities used by a sample of producers and FAO standards reveals excesses in current practices (Tran Khac Thi, 1999). Cases of illness and even death caused by ingesting vegetables are regular features in the local press. In 1995, public interest in the safety of vegetables led the Vietnamese Ministry of Agriculture to implement an ambitious programme called “safe vegetables.” In 2001, it covered an agricultural area measuring a total of 2,250 hectares (30 percent of the vegetable farming area in the province of Hanoi, equivalent to one quarter of the vegetables produced in Hanoi). The programme educated farmers in the reasonable use of fertiliser and pesticides, as well as the use of water from wells and non-polluted rivers. It was paralleled with training actions on IPM by various international organisations including ADDA. Certificates of safe vegetable production were awarded by the Department of Science and Technology to the cooperatives involved in the programme (replaced in 2006 by the plant Protection Department). Furthermore, a network of “safe vegetable” stores was established for the distribution of vegetables produced by these cooperatives. There is no strict coincidence between the production of vegetables according to “safe” protocols and the marketing of vegetables labelled as safe because a lot of “safe vegetables” are sold in ordinary chains without any labelling or pricing difference.

In 2002, it was estimated that vegetables labelled as safe accounted for 5 percent of total vegetable consumption in Hanoi. Ten market stalls and twelve shops were listed based on official statistics from the Department of Trade (recording only points with a certificate), nine of them belonging to joint stock companies (former state companies), and thirteen (60 percent) to private actors, including five managed by farmer cooperatives. In 2004, after the survey of retailing points in two selected districts, a total of 24 shops were estimated, plus 126 market stalls, both formal and informal. Out of a total of 232 tons of vegetables distributed per day, safe vegetable points would account for 14 tons, i.e. 6 percent of total. Eighty percent of safe vegetables are sold through shops or stalls, the rest in supermarkets.

In 2002, four stalls (in four different markets) managed by farmers had been recorded by Dini (2002), all managed by Van Tri cooperative. Van Tri brings together 13 farmers on 6 hectares and produces approximately 100 tons per year. Each shop sells 50 to 200 kilos per day. In 2004, Van Tri, had ten shops or market stalls where co-op members sell directly to consumers. They had stopped selling to supermarkets because the conditions of delivery and returns of unsold products were too demanding and they preferred concentrating on direct retail sales.

In 2008, we listed 54 safe vegetable stalls or shops (more than twice the number than six years before). Out of these, 38, i.e. 70 percent, are rented by safe vegetable cooperatives (while the percentage was only 20 percent in 2002 out of a total of 22 safe vegetable
retailing points). The 38 points include 14 market stalls, 10 kiosks in markets and 10 shops. The rest are managed by joint-stock companies. Nine safe vegetable cooperatives operate in relation with the shops and stalls, the most frequently located in Van Noi commune, Dong Anh district: Van Tri cooperative with nine points; Dao Duc, with eight points; Ba Chu, with seven points. We can estimate the share of direct sales as 60 percent of total safe vegetable sales, representing around 130 tons of vegetables per day (45,000 tons per year).

**Consumers value direct sales**

In Vietnam, consumers are especially concerned with the quality of food, quality referring mostly to freshness, taste and safety. Although the consumption of vegetables has increased considerably over the past ten years, vegetables also give consumers the greatest reason for concern in terms of the health risk they present. A recent survey, conducted in 2005 on 800 consumers (500 in Hanoi and 300 in Haiphong) shows that 75 percent of consumers are extremely concerned with the safety of food and 88 percent get information about this through the media. There is no significant difference in concerns for food safety with varying education or income. For 57 percent of consumers, problems of safety mostly relate to the presence of chemical residues in or on food. Food safety is of primary importance in vegetables, fruit and meat, together with the freshness of these products (see Table 1).

Table 1 – Important criteria for the consumer’s choice of food

<table>
<thead>
<tr>
<th></th>
<th>Price</th>
<th>Freshness</th>
<th>Level of nutrient</th>
<th>Safety of food</th>
<th>Information on the origin of products</th>
<th>Trademark of products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vegetables</td>
<td>1.54</td>
<td>4.54</td>
<td>2.82</td>
<td>3.90</td>
<td>1.38</td>
<td>0.11</td>
</tr>
<tr>
<td>Fruits</td>
<td>1.48</td>
<td>4.43</td>
<td>2.86</td>
<td>3.81</td>
<td>1.64</td>
<td>0.23</td>
</tr>
<tr>
<td>Meats</td>
<td>1.55</td>
<td>4.53</td>
<td>2.95</td>
<td>3.83</td>
<td>1.54</td>
<td>0.13</td>
</tr>
<tr>
<td>Aquatic/ Seafood</td>
<td>1.61</td>
<td>4.64</td>
<td>2.97</td>
<td>3.53</td>
<td>1.40</td>
<td>0.19</td>
</tr>
<tr>
<td>Cereals</td>
<td>1.53</td>
<td>1.63</td>
<td>2.97</td>
<td>3.23</td>
<td>2.65</td>
<td>1.45</td>
</tr>
<tr>
<td>Tea, coffee</td>
<td>1.51</td>
<td>0.89</td>
<td>2.03</td>
<td>2.89</td>
<td>2.86</td>
<td>3.33</td>
</tr>
</tbody>
</table>

0 = absolutely unimportant, 1 = least important and 5 = most important

Source: Ms. Huong's survey on 800 consumers in Luu Hong Minh et al (2005)

The most important strategy that gives consumers a guarantee about food safety is the purchase of food from traders they know. This is the case for 60 percent of the persons interviewed in the 2005 survey (Luu Hong Minh et al, 2005). In the focus groups conducted in 2004, consumers made a high number of associations between vegetable safety and sales people they knew, or purchases from a shop or supermarket (Figuié, 2004). The point of sale also has an impact on consumer trust. A survey of 707 consumers in 2006 showed that consumers feel a growing trust with regard to food safety scaled between spontaneous markets, official markets, safe vegetable stalls and shops, and supermarkets (Mayer, 2007).

In her thesis on consumer access to vegetables in Hanoi, Meg Hiesinger quotes the reason given by her neighbour to take her to a particular market to buy food: "Because this is where farmers come to sell directly (Hiesinger, 2006)."

Also, consumers classified as poor in Quynh Mai district were found to prefer buying from street vendors in the morning because they are generally farmers who sell fresh produce at a low price and who can give assurance regarding the safety of produce (Figuié, 2006).

All the interviewed consumers buying from Dang Xa stalls are regular ones, and nine of them (20 percent) come every day. All mention safety as the reason for going to these places. Other reasons include freshness (21 percent), acquaintance and trust (13 percent), reasonable price (21 percent). Vegetable safety refers to chemical residues for 70 percent of the respondents. The purchasers feel reassured regarding vegetable safety because of information displayed at the shop including the certificate and the place of production and
information given by the sellers (26 percent), because of trust in the sellers which is strengthened due to the fact that they are farmers (26 percent), and no health problems were experienced after consuming the purchased vegetables (44 percent). When asked if they have contacts with Dang Xa farmers outside of the retailing points, all the respondents except two say they do not because the area is too far away or they are too busy.

Meetings with women’s consumer club confirmed the importance of dealing with traders one is familiar with and fixed points of sale in building a feeling of reassurance about food safety, along with being able to confirm the origin of the vegetables. It is most reassuring if the origin is the place of production as stated by the management of the retailing point. The value of this form of distribution is that there is no middleman and so consumer confidence in the safety of the vegetables is higher. We tested the idea of direct contacts between consumers and farmer groups, in particular by means of direct home delivery by farmers. The meetings yielded the following important results: The system of access to vegetables which is preferred by consumers is indeed direct purchase from farmers, not home delivery, nor harvesting at the farm, but rather in shops. The option of home delivery is not suitable to the pattern of food purchases in Vietnam. Consumers in Vietnam use a variety of vegetables in small quantities every day. Freshness is an important quality criterion for consumers. They are not willing to buy large amounts of produce to last several days and for which variety may be limited. As regards purchases directly in the field, consumers are also reluctant because they don’t want to spend time going out to production areas when they can customarily pick up foodstuffs right at their doorsteps.

The conditions of selling in shops that give increased consumer confidence in vegetable safety are indicated below (as declared by the women’s consumer club):

- The shop is directly managed by farmers or a farmer group.
- The origin (place of production, name of the farmer or farmer groups) of vegetables is clearly indicated on the stalls (where all produce comes from the same place) or on the produce (which implies some packaging).
- The regulations followed by the farmers in terms of vegetable safety are visible to the consumers. The association agrees to have its produce comply at least with the public “safe vegetable” regulation, but maybe also with some even more stringent regulation. Farmers have been trained in how to produce good quality vegetables.
- Consumers visit producers from time to time to increase their awareness of quality issues.
- If the producer association runs out of produce, it sells produce from another association provided that: (i) the other association follows the same regulations; (ii) the actual place of origin is indicated on the produce.

These conditions are actually quite close to those observed in some market stalls and shops already available in Hanoi such as the market stalls of Van Tri or Dang Xa cooperatives. Yet traceability, in relation with the origin and labelling of products, is still to be improved, as the practice of mixing products from the farmers of the group with quality certification and farmers from neighbouring groups is common. Besides, consumers are not properly informed on the location of farmer shops and stalls.

Farmers value direct sales

We develop below the example of Dang Xa cooperative to present farmer strategies and incentives as regards direct sales.

In 2003, the Farmer Association of Dang Xa commune, with the help of the Hanoi Plant Protection Department established three selling points for safe vegetables located at the three points of a triangle in the commune: Ngoc Lam selling point, a kiosk facing a belt road of Gia Lam market and adjacent to a residential area; a stall in Duc Hoa market facing a collective residential quarter; “May 10” industrial park where most buyers are canteens located in the district. Ngoc Lam and Duc Hoa shops sell an average of 90 tons per year while May 10 sells 180 tons. This accounts for approximately 20 percent of the production of
the association, the rest being sold to canteens or through collectors. Each shop is run by a pair of farmers (wife-husband for Ngoc Lam and May 10), who sell what they produce and what they buy from their neighbours. They work in shifts (morning and afternoon). The three couples reside at the beginning, middle and end of the commune respectively, making it convenient for the purchasing of vegetable from the producers and avoiding competition between the three shops. Based on the available vegetables and demand from various canteens, purchasing plans are developed, i.e. vegetables will be purchased from the local households the evening before according to appropriate vegetable type and quantity for delivery the next day according to the results of the past day.

These three selling points received assistance from the Department of Plant Protection of Hanoi, i.e. VND 100,000/selling point/month over six months (i.e. 37 USD). Such support is aimed to assist these households during the early stage of the operation when limited buyers are found. Such support is limited, i.e. equal to 12 percent of the capital required from each of the couples by the market management, i.e. VND 5 million (310 USD) in order to have a selling point.

The local buyers now have trust in the quality of safe vegetables from Dang Xa commune. Safe vegetable production protocols are the subject of severe internal control. Every week, a paper is produced with the list of vegetables produced by the cooperative using the IPM method, and this paper is stamped by the People’s Committee.

Currently, the average revenue of one selling point reaches approximately VND 210-230 million VND (13,700 USD). The retailing farmers earn approximately VND 30 million/year (1,875 USD), or 80,000 VND/day (5 USD) while the daily salary of an agricultural worker is 30,000 VND (2 USD). Total ongoing costs for the operation, including the capital for initial product procurement, account for three quarters of the revenue. Total capital used for selling point staffing and capital used for product procurement amounts to VND 10 million per selling point (620 USD), excluding the fact that each person needs to have a motorbike for transport. The significant benefit as assessed by the collective is that from this model many farmer households in the communes have tried to sell their own products directly to buyers at different markets, obtaining added value in comparison with the value obtained by selling in the field, and by adopting this selling practice they recognise the demands of the buyers in terms of types of vegetable and modify their production accordingly. The main advantages quoted by the head of cooperatives relate to the increase in the number of customers and increase in prices. Customers ask questions about the safety of products, and the sellers are able to reassure them by explaining the location of production, the production protocol and the control exercised by the Department of Plant Protection.

In general, the area devoted to safe vegetable production throughout the commune has increased by around 50 percent in the last five years and it is one of the communes highlighting the value of safe vegetable production under the administration of the authorities. The commune has been recognised for its serious compliance with safe vegetable production process. A certificate of compliance with conditions for safe vegetables has been obtained for the whole area. A certificate for safe vegetable production was granted for the eight hectares which supply the selling points.

The price advantages are clear for farmers who sell at stalls. For instance, they get a price of 8000 VND/kilo when sold retail instead of 5,000 VND/kilo when sold to the collector (i.e. 60 percent more), which far from exceeds the cost of the access to the shop and duly compensates labour costs. On the other hand, farmers selling to the cooperative do not get higher prices than when they sell to collectors. Their main advantage relates to regular (daily) purchases by the cooperative sellers, while sales to collectors are much more irregular and the latter are choosier with regard to the appearance of the vegetables they buy.

In Van Tri cooperative, in 2005, four members were involved in the management of market stalls and acted as collectors for the other farmers. They have to contribute 1.5 M VND (95 USD) per month to the cooperative (while the other farmers contribute 200,000 VND, or 12
USD), when sales exceed 50 kilos and 100,000 VND, or 6 USD, otherwise). The cooperative sets a minimum purchase price, which is then adjusted according to the market demand (Son and al, 2006).

**Discussion**

Our results show advantages for farmers and consumers in terms of direct sales. Yet we saw that farmer direct sales are still quite limited, although increasing. Some reasons are provided below.

The major constraint is a financial one. Renting a shop costs around 10 M VND (600 USD) as an initial lump sum, then around 1 M VND per month (60 USD). Dang Xa cooperative, as well as Phuong Vien cooperative in Son Phuong commune have benefited from assistance from the district Department of Agriculture to rent a shop in Ha Dong and another shop in Hoai Duc. This is not the case for Van Duc commune. Another cooperative located in Gia Lam district, Dong Du, stopped selling vegetables in a market stall after two years, because the market stall was not well located to reach customers and they did not have enough financial resources to rent another stall.

Another constraint is the lack of regularity and variety of supply if the shop only sells the produce from one farmer group. As proposed by the consumer club, the shop is allowed to sell vegetables from other groups if such groups have similar commitments to follow, abide by safe vegetable regulations and indicate the actual origin of the produce.

In a situation where financial constraints may jeopardise farmer access to shops, selling to a shop run by an intermediary person may be an option. But this has not sat well with the Van Duc farmer group as the shop manager to whom they used to sell had the common practice of mixing produce from various uncontrolled sources. This problem may actually be remedied in two ways: through the enforcement of contracts between farmer groups and shop managers pertaining to the labelling of products and rules of supply of the shop and by having a system of traceability of vegetables bought and sold (how much, when, from whom) and thrown away as waste. This system could be controlled by the farmer groups or consumers and should definitely become an integral part of the external inspection by the Plant Protection Department.

We also saw that farmers do not take complete advantage of their position as direct suppliers of consumers. The consumers interviewed in Dang Xa points of sale declare that they have little time to visit the farms and discuss with the farmers. What seems more important for them is to have a guarantee from the sellers regarding the product's place of origin and control by a public body, as well as long-time interactions with the sellers—be they producers or not. The farmers may have to promote more the specific advantages which they bring to consumers compared to traders who may more easily mix vegetables from different origins. Also more indications on farmer identity could be made visible in the stalls, including the name, profession and address of vendors, and pictures of the farms.

Moreover, the advantages of selling retail to consumers are not distributed evenly among the members of the groups. In fact, the main beneficiaries are the farmers who are vendors in the shops, as they sell their production in priority. They act as collectors for other farmers, but whether farmers have price advantages compared to outside collectors has still to be demonstrated. There is certainly a lack of a real collective nature of sales in the group, in contrast to alternative systems where sellers are paid a commission covering their costs rather than buying and reselling the products as ordinary collectors.

**Conclusion**

The research presented illustrates and confirms some insights of the literature on direct sales as ways for farmers to better promote their efforts in terms of vegetable quality, especially safety, which generates a number of information deficiencies and opportunism.
risks when there are middlemen between farmers and consumers. It also points out some specific features of vegetable direct sales in Vietnam compared with other countries. Selling though shops or market stalls rented by farmer groups is more commonplace than home deliveries or weekly farmer markets. This characteristic is linked with the concerns of Vietnamese consumers for freshness and diversity of vegetables, hence their day-by-day purchases.

Yet this type of sales displays some fragility. First, it implies high investments by farmers, and excludes smaller farmers from access to the final consumers. Second, it is supported by a system of external certification which is still imperfect: there is no strict control by an external authority of the origin of vegetables sold in the stalls and shops; the latter may well mix vegetables from various production areas and with incomplete certification.

Hence we recommend that the initiatives of the farmers benefit more from the support of public authorities. Preferential credit could be given to farmer groups for investments in retailing points. Some areas of the city could be reserved for farmers’ markets, with collection of daily fees of a reduced amount compared with the other retail market places. This has been successfully done in Vientiane, Laos, where some free space has been allocated by the urban authorities for organic farm produce sales near Thatluang temple. A total of 65 agricultural households have access to this market (Profil, 2007). A more rigorous control of the origin and certification of vegetables sold in “safe vegetable” stalls and shops should be exerted. To reduce the cost of certification, a system of participatory guarantees could be tested following the model of India, where a self-help group label is supported by an association of safe-food interest groups, groups of collectors, NGOs, consumer associations and representatives of the private sector (Khosla, 2006). The association is responsible for upgrading the existing standards (government and private) and coordinating all documentation relative to standards, training, procedures of control and certification as well as coordinating training and random chemical residue testing. Regional councils are established to train local groups in terms of the necessary documentation, deliver certificates based on the results of peer review, provide groups with guidelines for internal controls and sanctions and link with consumer groups to conduct field visits. More should be done to advertise places where vegetables sold directly by farmers can be found and farmers should also be more involved in the communication with consumers on the specific advantages of buying from farmer groups.

This preliminary research also opens up new questions for further investigation. We need a more thorough comparison of the financial costs and benefits of direct retail sales relative to other types of sales, e.g. through collectors or to supermarkets. We also need to know more about the internal mechanics of the collective action taken by farmers to appraise how the benefits of direct sales are distributed within the group relative to the respective power basis of each member.

Acknowledgements

The MALICA group (Markets and Agriculture Linkages for Cities in Asia) based in Hanoi, Vietnam, conducts various projects on vegetable marketing, from which the research presented here draws some of its sources. From 2002 to 2006, we were involved in a project on peri-urban agriculture (SUSPER) funded by the French Ministry of Foreign Affairs, where we analysed vegetable consumption and also the organization of vegetable chains supplying Hanoi. In 2005, we participated in an FAO study supported by the Overseas Development Institute (ODI) on Public-Private Partnerships in rural infrastructure aimed at promoting market orientated agricultural production, for which we prepared a case study on Dang Xa cooperative investment in shops. In 2006, we were involved in a study on participatory quality guarantee systems funded by the ADB/DFID project “Making Markets Work Better for the Poor,” from which we drew the results relative to the women’s consumer club.
References


Koc, M., Mac Rae, R., Mougeot, L. A, and Welsh, J. (1999), For hunger-proof cities: Sustainable urban food systems. CRDI, Ottawa.


